This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manger, 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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

RESPONSIBILITY STATEMENT

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 enquiries, confirm that, to the best of their knowledge and belief:

(a) the information contained in this circular is accurate and complete in all material respects and not misleading in any material respect;

(b) there are no matters the omission of which would make any statement in this circular misleading in any material respect; and

(c) 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.

DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interest of the Directors in the Ordinary Shares and underlying shares of the Company which were required to be notified to the Company and the Stock Exchange 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 in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in rule 5.46 of the GEM Listing Rules were as follows:

(a) Long positions in the Ordinary Shares

Name of Directors	Capacity	Nature of Interest	Number of Ordinary Shares held	Approximate percentage of the total Ordinary Shares in issue
CHEN Yuhong	Beneficial Owner	Personal	27,617,472	2.79%
CUI Hui	Beneficial Owner	Personal	20,000,000	2.02%
TANG Zhenming	Beneficial Owner	Personal	11,747,765	1.19%
WANG Hui	Beneficial Owner	Personal	9,517,838	0.96%

(b) Options to subscribe for the Ordinary Shares

Name of Directors	Exercise Price (HK$)	No. of share options outstanding as at the Latest Practicable Date	Approximate percentage of the total Ordinary Shares in issue	Number of underlying Ordinary Shares interest in	Note
CHEN Yuhong	0.58	300,000	0.03%	6,550,000	(1)
	0.65	1,250,000	0.13%		(2)
	0.97	1,200,000	0.12%		(3)
	1.78	3,800,000	0.38%		(4)
CUI Hui	0.65	500,000	0.05%	500,000	(1)
Duncan CHIU	0.65	1,000,000	0.10%	1,000,000	(1)
TANG Zhenming	0.58	80,000	0.01%	4,180,000	(1)
	0.65	1,300,000	0.13%		(2)
	0.97	800,000	0.08%		(3)
	1.78	2,000,000	0.20%		(4)
WANG Hui	0.58	250,000	0.03%	5,000,000	(1)
	0.65	1,750,000	0.18%		(2)
	0.97	1,000,000	0.10%		(3)
	1.78	2,000,000	0.20%		(4)
CHEN Timothy Yung Cheng	1.78	1,000,000	0.10%	1,000,000	(4)
ZHEN Zhijie	1.78	750,000	0.08%	750,000	(4)

Notes:

(1) These share options were offered on 13 August 2003 under the share option scheme of the Company adopted on 2 June 2003 (the "**Share Option Scheme**") and accepted on 27 August 2003. The share options are exercisable for a period of ten years from the date of offer, subject to the following conditions:

Exercise Period Commencing	Ending	Number of share options exercisable
13/08/2004	12/08/2013	25% of the total number of share options granted
13/08/2005	12/08/2013	25% of the total number of share options granted
13/08/2006	12/08/2013	25% of the total number of share options granted
13/08/2007	12/08/2013	25% of the total number of share options granted

(2) These share options were offered on 13 May 2004 under the Share Option Scheme and accepted on 10 June 2004. The share options are exercisable for a period of 10 years from the date of offer, subject to the following conditions:

Exercise Period Commencing	**Ending**	**Number of share options exercisable**
13/05/2004	12/05/2014	25% of the total number of share options granted
13/05/2005	12/05/2014	25% of the total number of share options granted
13/05/2006	12/05/2014	25% of the total number of share options granted
13/05/2007	12/05/2014	25% of the total number of share options granted

(3) These share options were offered on 30 March 2006 under the Share Option Scheme and accepted on 27 April 2006. The share options are exercisable for a period of 10 years from the date of offer, subject to the following conditions:

Exercise Period Commencing	**Ending**	**Number of share options exercisable**
30/03/2006	29/03/2016	25% of the total number of share options granted
30/03/2007	29/03/2016	25% of the total number of share options granted
30/03/2008	29/03/2016	25% of the total number of share options granted
30/03/2009	29/03/2016	25% of the total number of share options granted

(4) These share options were offered on 10 April 2007 under the Share Option Scheme and accepted on 8 May 2007. The share options are exercisable for a period of 10 years from the date of offer, subject to the following conditions:

Exercise Period Commencing	**Ending**	**Number of share options exercisable**
10/04/2007	09/04/2017	25% of the total number of share options granted
10/04/2008	09/04/2017	25% of the total number of share options granted
10/04/2009	09/04/2017	25% of the total number of share options granted
10/04/2010	09/04/2017	25% of the total number of share options granted

SHARE OPTION SCHEME

As at the Latest Practicable Date, share options to subscribe for an aggregate of 111,376,500 Ordinary Shares were granted to certain Directors and employees of the Group pursuant to the Share Option Scheme. The terms on the exercise of the share options granted to the Directors are set out in notes (1), (2), (3) and (4) under "Directors' Interests" in this appendix.

Save as disclosed above and that there was an aggregate of 19,933,500 share options exercised by various employees of the Group during the period between 4 May 2007 and 14 August 2007, no option has been granted, exercised and lapsed pursuant to such Share Option Scheme as at the Latest Practicable Date.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors as at the Latest Practicable Date, the following persons, not being a Director or chief executive of the Company, had an interest in the Ordinary Shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Ordinary Shares

Name	Type of interest	Approximate number of the Ordinary Shares interested (million)	Approximate percentage of the total Ordinary Shares in issue
China National Computer Software & Information Technology Service Corporation (Hong Kong) Limited ("**CS&S(HK)**") (Note 1)	Beneficial interest	199.01	20.11%
China National Software and Service Company Limited ("**CNSS**") (Note 1)	Interest of controlled corporation	199.01	20.11%
Chinasoft International (Hong Kong) Limited ("**Chinasoft (HK)**") (Note 2)	Interest of persons acting in concert	199.01	20.11%
Far East Holdings International Limited ("**Far East Holdings**") (Note 3)	Beneficial interest	130.42	13.18%
Greater Pacific Capital Partners, LP (Note 4)	Beneficial interest	99.27	10.03%

Name	Type of interest	Approximate number of the Ordinary Shares interested (million)	Approximate percentage of the total Ordinary Shares in issue
International Finance Corporation ("**IFC**") (Note 5)	Beneficial interest	97.25	9.82%
Microsoft Corporation ("**Microsoft**") (Note 5)	Beneficial interest	97.25	9.82%
ABN AMRO Holding N.V. (Note 6)	Beneficial interest	59.26	5.99%

Notes:

1. CNSS is taken to be interested in the Ordinary Shares in which CS&S(HK) is interested. CNSS holds approximately 99.30% of the total voting rights of CS&S(HK).

2. Chinasoft (HK) and CS&S(HK) are parties to agreements to acquire interest in the Company which includes provisions imposing restrictions with respect to the disposal of interest acquired, and Chinasoft (HK) is taken to be interested in the Ordinary Shares in which CS&S(HK) is interested pursuant to section 318 of the SFO.

3. Mr. Duncan Chiu, a non-executive Director, is nominated by Far East Holdings. Mr. Duncan Chiu is a director of Far East Holdings.

4. Great Pacific Capital Partners, LP is interested in 99,268,639 shares.

5. IFC and Microsoft were each interested in 97,250,000 Ordinary Shares which could be issued to each of them upon the conversion of the 97,250,000 series A preferred shares of HK$0.05 each in the capital of the Company ("**Series A Preferred Shares**") allotted and issued to each of them on 6 January 2006. Each of IFC and Microsoft holds 50% of the total 194,500,000 Series A Preferred Shares in issue.

6. ABN AMRO Holding N.V. was interested in 59,260,000 shares.

So far as was known to the Directors, as at the Latest Practicable Date, the following persons (other than members of the Group) were directly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the following members the Group (other than the Company) and the amount of each of such person's interest were as follows:

Name of member of the Group	Name of substantial shareholder	Nature and amount of interest	Approximate percentage of shareholding
上海中軟資源技術服務有限公司 (Shanghai Chinasoft Resources Information Technology Services Limited)	上海東瑞信息諮詢服務有限公司 (Shanghai Dong Rui Information Consultation Services Co., Ltd)	Equity interest in the amount of RMB600,000	20%
中軟賽博資源軟件技術(天津)有限公司 (CS&S Cyber Resources Software Technology (Tianjin) Co. Ltd.)	天津泰達國際創業中心	RMB1,200,000	24%
廈門中軟海晟信息技術有限公司	福建海晟集團有限公司	RMB14,700,000	49%
上海中軟資源技術服務有限公司 (Shanghai Chinasoft Resources Information Technology Services Limited)	Yan Juanyu (嚴雋鈺)	Equity interest in the amount of RMB600,000	20%

Save as disclosed above, as at the Latest Practicable Date so far as was known to the Directors:

(a) none of the Directors or chief executive of the Company had any interest or short position in any shares or underlying shares or interest in debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange 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 in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the Directors; and

(b) there was no person known to the Directors who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was or was expected to be, directly or indirectly, interested in 10 % or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or had any options in respect of such capital.

LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation, arbitration or claim of material importance known by the Directors to be pending or threatened against any member of the Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

As at the Latest Practicable Date, Dr. CUI Hui, an executive Director, was interested in approximately 1.34% of the issued share capital of CNSS. Dr. CUI Hui also served as a director of CNSS. In addition, Mr. SU Zhenming (a non-executive Director) had been appointed as directors of CNSS since September 2006.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

MISCELLANEOUS

(a) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.

(b) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited, which is situated at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(c) The Qualified Accountant and the Secretary of the Company is Mr. FOK Ming Fuk, William, MBA, FCCA, CPA, CHARTERED ACCOUNTANT, FTIHK, MHKSI.

(d) The Compliance Officer of the Company is Dr. CHEN Yuhong.

(e) The Company established an audit committee on 2 June 2003 with written terms of reference in compliance with the requirements as set out in Rules 5.28 and 5.30 of the GEM Listing Rules. The primary duties of the audit committee are to review and to supervise the financial reporting process and internal control system of the Group. The audit committee has three members comprising all three independent non-executive Directors, namely Mr. HE Ning, Mr. ZENG Zhijie and Dr. LEUNG Wing Yin, Patrick with their individual background stated below.

Mr. HE Ning was appointed as an independent non-executive Director on 2 July 2002. Mr. HE has been the chief executive officer of Beijing CCG Technology Co. Ltd. since September 2000. From January 1997 to August 2000, he was the vice president of the Beijing representative office of Merrill Lynch. Mr. HE was the assistant officer of the China Stock Exchange Executive Council from July 1993 to December 1996. He also worked for Morgan Stanley as manager from May 1990 to June 1993. Mr. HE obtained a master's degree in business administration from the University of Texas in 1984. Mr. HE has over 10 years experience in investment banking, direct investment and venture business management in the PRC and the USA.

Mr. ZENG Zhijie was appointed as an independent non-executive Director on 21 April 2003. Mr. ZENG obtained a master's degree in business administration from Stanford University in June 2001, and is a vice president of Walden International, a global venture capital firm with an investment focus on the communications, electronics, software and IT services, semiconductors and life sciences/healthcare industries.

Dr. LEUNG Wing Yin, Patrick was appointed as an independent non-executive Director on 22 March 2006. Dr. LEUNG holds a doctor's degree in accounting from the University of New South Wales, Australia, and a member of Certified Public Accountants of Australia, a member of the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Securities Institute. He is an Assistant Professor and a Doctor Student Supervisor at the School of Accounting and Finance of the Hong Kong Polytechnic University. Dr. LEUNG previously worked as a consultant in a firm of Certified Public Accountants and as a Senior Lecturer at Charles Sturt University, Australia and the City University of Hong Kong. He has over three years' working experience in internal auditing and corporate finance in banks.

(f) This circular has been prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.