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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.

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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 OF DIRECTORS**

A notice convening the annual general meeting (the "Annual General Meeting") of Chinasoft International Limited (the "Company") to be held at Conference Room B, 32/F Admiralty Centre I, 18 Harcourt Road, Hong Kong at 3:30 p.m. on Wednesday, 16 May 2007 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 Room 1806-1807, 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

23 April 2007

CHARACTERISTICS OF GEM

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

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 3:30 p.m. on Wednesday, 16 May, 2007 at Conference Room B, 32/F Admiralty Centre I, 18 Harcourt Road, Hong Kong;
“AGM Notice”	the notice dated 23 April, 2007 for convening the AGM as set out on pages 17 to 21 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 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;
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands
“CS&S(HK)”	China National Computer Software & Information Technology Service Corporation (Hong Kong) Limited, a company incorporated in Hong Kong and is a substantial shareholder of the Company interested in approximately 20.88% 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) (formerly 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;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	19 April, 2007 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 to Share Option Scheme of the Company;
“Ordinary Resolutions”	the proposed ordinary resolutions numbered 6, 7, 8 and 9 as set out in the AGM Notice;
“PRC”	the People’s Republic of China;
“Re-election of Directors”	the re-election of Mr. Wang Hui as an executive Director, Mr. Duncan Chiu as a non-executive Director and Mr. Zeng Zhijie as an independent non-executive Director immediately following their retirement at the AGM;
“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 the capital of the Company;
“SFO”	the Securities and Futures Ordinance, chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary 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);

DEFINITIONS

“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.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Chen Yuhong (*Managing Director*)

Mr. Wang Hui

Dr. Tang Zhenming

Non-Executive Directors:

Madam Tang Min (*Chairman*)

Dr. Cui Hui

Mr. Duncan Chiu

Mr. Timothy Cheng Yung Cheng

Mr. Liu Zheng

Independent Non-Executive Directors:

Mr. He Ning

Mr. Zeng Zhijie

Dr. Leung Ying Yin Patrick

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:*

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

23 April, 2007

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 OF DIRECTORS**

1. INTRODUCTION

At the AGM to be held on Wednesday, 16 May, 2007, 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 of Directors and to refresh the Scheme Mandate Limit.

* *for identification purpose only*

LETTER FROM THE BOARD

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 18 May, 2006 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 758,817,476 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 151,763,495 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 Shareholders 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;

LETTER FROM THE BOARD

- (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 18 May, 2006, the Company had offered to certain participants on 10 April, 2007 Options to subscribe for an aggregate of 53,100,000 Shares. As such, if all such Options offered are accepted by those participants a further 20,137,245 Options may be granted under the Share Option Scheme before the refreshment of the Scheme Mandate Limit.

As at the Latest Practicable Date, a total of 131,310,000 Options (including the 53,100,000 Options offered by the Company to certain participants on 10 April, 2007) had been granted or offered to participants which are outstanding. Of these outstanding Options, 7,400,000 Options were granted and 3,800,000 Options had been offered to Dr. Chen Yuhong, 500,000 Options were granted to Dr. Cui Hui, 1,000,000 Options were granted to Mr. Duncan Chiu, 5,500,000 Options were granted and 2,000,000 Options had been offered to Mr. Wang Hui, 3,720,000 Options were granted and 2,000,000 Options had been offered to Dr. Tang Zhenming, 1,000,000 Options had been offered to Mr. Timothy Chen Yung Cheng and 750,000 Options had been offered to Mr. Zheng Zhijie (all being Directors). The remaining 60,090,000 Options were granted and 43,550,000 Options had been offered to other participants of the Share Option Scheme. Particulars of these outstanding Options granted and offered under the Share Option Scheme are set out in Appendix II to this circular.

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 758,817,476 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 75,881,747 Shares,

LETTER FROM THE BOARD

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 exercise of such maximum amount of Options which may be granted after approval of the refreshment of the Scheme Mandate Limit plus the 78,210,000 Options outstanding as at the Latest Practicable Date will not exceed 30% of the total number of Shares in issue. Assuming the 53,100,000 Options offered by the Company on 10 April, 2007 would be accepted by the participants, the number of Shares which may be issued upon exercise of 75,881,747 Options that may be granted after refreshment of the Scheme Mandate Limit together with the outstanding 131,300,000 options granted 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 Ordinary 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 OF DIRECTORS

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

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. As such, Mr. Wang Hui, Mr. Duncan Chiu and Mr. Zeng Zhijie 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.

Brief biographical details of the said retiring Directors proposed to be re-elected at the AGM are set out in Appendix III of this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

Set out on pages 17 to 21 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 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 1806-1807, 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 required by the GEM Listing Rules or 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 members 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 member or members present in person or in the case of a member 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 members having the right to vote at the meeting; or
- (d) by any member or members 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.

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

LETTER FROM THE BOARD

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 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 758,817,476 Shares and 194,500,000 Series A Preferred Shares in issue. As at the same date, options to subscribe for 78,210,000 Shares had been granted and were outstanding, and options to subscribe for 53,100,000 Shares had been offered 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 75,881,747 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. Under the Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of proceeds of a fresh issue of shares made for the purpose or, if so authorized by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on purchase over the par value of the shares to be repurchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorized by its articles of association and subject to the provisions of the Companies Law, 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 2006) 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 241,978,227 Shares representing approximately 31.89% of all the issued Shares and approximately 25.38% of the total issued share capital of the Company; Far East Holdings International Limited held 130,129,822 Shares, representing approximately 17.15% of all the issued Shares and approximately 13.65% of the total issued share capital of the Company; and each of International Finance Corporation and Microsoft Corporation held 97,250,000 Series A Preferred Shares representing approximately 10.20% of the total issued share capital of the Company. To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in 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 Holdings International Limited, International Finance Corporation and Microsoft Corporation in the total issued share capital of Company would be increased from approximately 25.38%, 13.65%, 10.20% and 10.20% to approximately 27.58%, 14.83%, 11.08% and 11.08% 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 not fall below 25%, the relevant prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public.

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:–

	Month	Highest trade price (HK\$)	Lowest trade price (HK\$)
2006	April	1.48	1.00
	May	1.38	0.98
	June	1.25	0.95
	July	1.25	0.97
	August	1.19	0.98
	September	1.23	1.06
	October	1.32	1.07
	November	1.84	1.30
	December	1.80	1.60
2007	January	1.98	1.38
	February	2.18	1.79
	March	1.90	1.65
	April (up to the Latest Practicable Date)	1.95	1.65

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.

APPENDIX II	PARTICULARS OF OUTSTANDING OPTIONS UNDER THE SHARE OPTION SCHEME
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The followings are particulars of the outstanding Options granted under the Share Option Scheme as at the Latest Practicable Date:

Type of option holders	Date of grant	Exercise price (HK\$)	Exercise period	No. of Options outstanding as at the Latest Practicable Date
<i>Directors:</i>				
Dr. Chen Yuhong	13.8.2003	0.58	13.8.2004-12.8.2013	300,000
			13.8.2005-12.8.2013	300,000
			13.8.2006-12.8.2013	300,000
			13.8.2007-12.8.2013	300,000
	13.5.2004	0.65	13.5.2004-12.5.2014	1,250,000
			13.5.2005-12.5.2014	1,250,000
			13.5.2006-12.5.2014	1,250,000
			13.5.2007-12.5.2014	1,250,000
	30.3.2006	0.97	30.3.2006-29.3.2016	300,000
			30.3.2007-29.3.2016	300,000
			30.3.2008-29.3.2016	300,000
			30.3.2009-29.3.2016	300,000
Mr. Duncan Chiu	13.5.2004	0.65	13.5.2004-12.5.2014	250,000
			13.5.2005-12.5.2014	250,000
			13.5.2006-12.5.2014	250,000
			13.5.2007-12.5.2014	250,000
Dr. Cui Hui	13.5.2004	0.65	13.5.2004-12.5.2014	125,000
			13.5.2005-12.5.2014	125,000
			13.5.2006-12.5.2014	125,000
			13.5.2007-12.5.2014	125,000
Mr. Wang Hui	13.8.2003	0.58	13.8.2004-12.8.2013	250,000
			13.8.2005-12.8.2013	250,000
			13.8.2006-12.8.2013	250,000
			13.8.2007-12.8.2013	250,000
	13.5.2004	0.65	13.5.2004-12.5.2014	875,000
			13.5.2005-12.5.2014	875,000
			13.5.2006-12.5.2014	875,000
			13.5.2007-12.5.2014	875,000
	30.3.2006	0.97	30.3.2006-29.3.2016	250,000
			30.3.2007-29.3.2016	250,000
			30.3.2008-29.3.2016	250,000
			30.3.2009-29.3.2016	250,000

APPENDIX II	PARTICULARS OF OUTSTANDING OPTIONS UNDER THE SHARE OPTION SCHEME			
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Type of option holders	Date of grant	Exercise price (HK\$)	Exercise period	No. of Options outstanding as at the Latest Practicable Date
Dr. Tang Zhenming	13.8.2003	0.58	13.8.2004-12.8.2013	80,000
			13.8.2005-12.8.2013	80,000
			13.8.2006-12.8.2013	80,000
			13.8.2007-12.8.2013	80,000
	13.5.2004	0.65	13.5.2004-12.5.2014	650,000
			13.5.2005-12.5.2014	650,000
			13.5.2006-12.5.2014	650,000
			13.5.2007-12.5.2014	650,000
	30.3.2006	0.97	30.3.2006-29.3.2016	200,000
			30.3.2007-29.3.2016	200,000
			30.3.2008-29.3.2016	200,000
			30.3.2009-29.3.2016	200,000
<i>Other employees</i>	13.8.2003	0.58	13.8.2004-12.8.2013	1,897,500
			13.8.2005-12.8.2013	1,897,500
			13.8.2006-12.8.2013	1,897,500
			13.8.2007-12.8.2013	1,897,500
	13.5.2004	0.65	13.5.2004-12.5.2014	8,025,000
			13.5.2005-12.5.2014	8,025,000
			13.5.2006-12.5.2014	8,025,000
			13.5.2007-12.5.2014	8,025,000
	30.3.2006	0.97	30.3.2006-29.3.2016	3,100,000
			30.3.2007-29.3.2016	3,100,000
			30.3.2008-29.3.2016	3,100,000
			30.3.2009-29.3.2016	3,100,000
<i>Customers</i>	13.5.2004	0.65	13.5.2004-12.5.2014	2,000,000
			13.5.2005-12.5.2014	2,000,000
			13.5.2006-12.5.2014	2,000,000
			13.5.2007-12.5.2014	2,000,000

The Company also offered a total of 53,100,000 Options to certain Directors and employees of the Group on 10 April, 2007 which may be accepted by those participants of the Share Option Scheme within 28 days from the date of offer.

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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

Mr. Wang Hui

Mr. Wang Hui, aged 34, is the senior vice president who is responsible for management consulting and solution business sector of the Group. As the Chief Technical Officer of the Group, he is mainly responsible for software process improvement, software reuse as well as the management of research and development of the Group.

Mr. Wang graduated from 天津大學 (Tianjin University) in 1995. He has 12 years experience in systems analysis and design. Prior to joining the Group on 25 April 2000, Mr. Wang was a manager of Cybersoft Inc. from 1997 to 2000, from which the Company was developed. He worked for Greatwall Computer Software Co., Ltd as a project manager from 1995 to 1997.

Mr. Wang has entered into a service agreement with subsidiary of the Company for a term of 2 years from 26 January 2006 to 25 January 2008. He is entitled to a basic monthly remuneration of RMB51,440. As at the Latest Practicable Date, Mr. Wang was interested in 7,017,838 Shares, had been granted options to subscribe for 5,500,000 Shares and had been offered options to subscribe for 2,000,000 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. Duncan Chiu

Mr. Duncan Chiu, aged 32, has been involved in the management of the Group since joining in January 2000. Mr. Chiu graduated with a bachelor's degree in business administration from Pepperdine University of California in 1996. Mr. Chiu currently serves as vice chairman and treasurer of The Chamber of Hong Kong Listed Companies, vice president of Innovation & Technology Association and is a committee member of All-China Youth Federation. Mr. Chiu is as a director among the Far East Group of Companies. He serves as the managing director and chief executive officer of Far East Holdings International Limited (Stock Code: 36) and also a non-executive director of Far East Hotels & Entertainment Limited (Stock Code: 37). He is also a non-executive director of Golife Concepts Holdings Limited (Stock Code: 8172).

The term of directorship of Mr. Duncan Chiu 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. Mr. Chiu is entitled to a basic annual salary of RMB120,000 and 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

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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, Mr. Chiu had been granted options to subscribe for 1,000,000 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. Zeng Zhijie

Mr. Zeng Zhijie, aged 39, was appointed 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 since October 2001, a global venture capital firm with an investment focus on the communications, electronics, software & IT services, semiconductors and life sciences/healthcare industries.

Mr. Zeng is entitled to an annual remuneration of HK\$120,000 for his independent non-executive directorship with the Company. As at the Latest Practicable Date, Mr. Zeng had been offered options to subscribe for 750,000 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.

NOTICE OF THE ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN that an annual general meeting of CHINASOFT INTERNATIONAL LIMITED (the “Company”) will be held at 3:30 p.m. on Wednesday, 16 May, 2007 at Conference Room B, 32/F Admiralty Centre I, 18 Harcourt Road, 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 2006;
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 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

NOTICE OF THE ANNUAL GENERAL MEETING

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.

NOTICE OF THE ANNUAL GENERAL MEETING

“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 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 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

NOTICE OF THE ANNUAL GENERAL MEETING

- (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 shares in the Company and to make or grant offers, agreement and options which might require the exercise of such powers 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 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 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 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

23 April, 2007

NOTICE OF THE ANNUAL GENERAL MEETING

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 Room 1806-1807, 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 14 May 2007 to 16 May 2007, 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.