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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: 354)

**NOTICE OF ANNUAL GENERAL MEETING
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTOR
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
ADOPTION OF A NEW SHARE OPTION SCHEME**

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 Monday, 20 May 2013 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 1712-1716, 17th 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.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	5
2. General Mandates	6
3. Re-election of Retiring Director	6
4. Termination of the Existing Share Option Scheme and Adoption of the New Share Option Scheme	7
5. Annual General Meeting	10
6. Action to be taken	10
7. Procedure for Demanding a Poll by Shareholders	10
8. Responsibility Statement	11
9. Recommendation	11
Appendix I – Explanatory Statement	12
Appendix II – Details of retiring Director proposed to be re-elected	15
Appendix III – Summary of the Principal Terms of the New Share Option Scheme	16
Notice of the Annual General Meeting	26

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by resolution of the Company in a general meeting;
“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 Monday, 20 May 2013 at 3:30 p.m.;
“AGM Notice”	the notice for convening the AGM as set out on pages 26 to 30 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;
“Business Day”	a day on which licensed banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) and the Stock Exchange is open for business of dealing in securities;
“Commencement Date”	in respect of any particular Option, the date upon which the offer to grant such Option is accepted in accordance with the New Share Option Scheme;
“Company”	Chinasoft International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 354);
“Directors”	directors of the Company for the time being;
“Employee”	any employee or officer of the Company or any Subsidiary and any executive and non-executive director of the Company or any Subsidiary;
“Existing Share Option Scheme”	the share option scheme adopted by a written resolution of the shareholders of the Company on 2 June 2003;

DEFINITIONS

“Grantee”	means any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person who is entitled to any such Option in consequence of the death or disability of the original Grantee or the legal personal representative(s) thereof as set out in the New Share Option Scheme;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	12 April 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which are set out in Appendix III to this circular;
“Offer”	the offer of the grant of an Option made by the Board in accordance with the New Share Option Scheme;
“Offer Date”	the date on which an offer is made to a Participant, which date must be a Business Day;
“Option”	a right to subscribe for Shares on terms determined by the Board and granted pursuant to the terms of the New Share Option Scheme;
“Option Period”	in respect of any particular Option, a period of not more than 10 years after the Commencement Date to be notified by the Board to each Grantee which period of time shall commence on the Commencement Date and expire on the last day of such period as determined by the Board;
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the AGM Notice;

DEFINITIONS

“Participant”	(i) employees of the Company (whether full-time or part-time) or any of its Subsidiaries or associated companies; (ii) directors (whether executive directors or non-executive directors or independent non-executive directors) of the Company or any of its Subsidiaries or associated companies; (iii) suppliers of goods and/ or services to the Company or any of its Subsidiaries or associated companies; and (iv) customers of the Company or any of its Subsidiaries or associated companies;
“PRC”	the People’s Republic of China;
“Re-election of Retiring Director”	the proposed re-election of Mr. Wang Hui as an executive Director immediately following his 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. 6 during the period as set out in Ordinary Resolution no. 6;
“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);
“Share Buyback Rules”	the relevant rules set out in the Listing Rules to regulate the share repurchase by companies with primary listing on the Stock Exchange;
“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. 5 up to 20% of the issued ordinary share capital of the Company as at the date of passing Ordinary Resolution no. 5;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“%”	per cent.

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: 354)

Executive Directors:

Dr. Chen Yuhong (*Chairman and Chief Executive Officer*)

Dr. Tang Zhenming

Mr. Wang Hui

Mr. Jiang Xiao Hai

Registered Office:

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

Non-Executive Directors:

Mr. Zhao Huan John

Dr. Zhang Yaqin

Mr. Lin Sheng

Ms. Shen Lipu

Principal place of business

in Hong Kong:

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

Independent Non-Executive Directors:

Mr. Zeng Zhijie

Dr. Song Jun

Dr. Leung Wing Yin Patrick

Mr. Xu Zeshan

17 April 2013

To the Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTOR
TERMINATION OF THE EXISTING SHARE OPTION SCHEME
AND
ADOPTION OF A SHARE OPTION SCHEME**

1. INTRODUCTION

At the AGM to be held on Monday, 20 May 2013, 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 Retiring Director, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

* 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 termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme, and information on the retiring Director 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 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 2012 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,719,864,659 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 343,972,931 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. RE-ELECTION OF RETIRING DIRECTOR

The Board currently consists of twelve Directors including four executive Directors, four non-executive Directors and four independent non-executive Directors.

Pursuant to the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or the number nearest to but not less than one-third shall retire from office by rotation and shall be eligible for re-election. The Directors to retire shall include any Director who wishes to retire and not to offer himself for re-election. Any further Director so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment.

LETTER FROM THE BOARD

Mr. Jiang Xiao Hai, Ms. Shen Lipu and Mr. Xu Zeshan wish to retire at the AGM and not offer themselves for re-election. Mr. Wang Hui, being the Director longest in office, is required to retire and is eligible to be re-elected at the AGM.

Accordingly, Mr. Wang Hui, Mr. Jiang Xiao Hai, Ms. Shen Lipu and Mr. Xu Zeshan shall retire at the AGM. Mr. Jiang Xiao Hai, Ms. Shen Lipu and Mr. Xu Zeshan will not stand for re-election, whereas Mr. Wang Hui, being eligible, will offer himself for re-election. Brief biographical details of Mr. Wang Hui who is proposed to be re-elected at the AGM are set out in Appendix II to this circular.

4. TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

Background

The Existing Share Option Scheme was adopted by the Company on 2nd June 2003. As it will expire on 1st June 2013, the Board proposes that the Existing Share Option Scheme be terminated and the New Share Option Scheme for the Participants be approved and adopted at the AGM.

Purpose of the New Share Option Scheme

The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which govern the terms of the share option schemes of listed companies. By offering Options to the Participants in such flexible terms under the New Share Option Scheme, in particular, the subscription price of the Options will be determined with reference to the market value of the Share price of the Company and unless otherwise specified in the letter by which an Offer is made to a Participant, there is no pre-requisite performance target to be achieved by the Participants before the Option can be exercised, such Participants may exercise their Options at any time within the Option Period to acquire a monetary gain or ownership interest in the Company which may in turn provide a further incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants. Therefore, the Board considers that the New Share Option Scheme, if adopted, will be in the interest of the Company as a whole in terms of management and operation.

Effective date of termination of the Existing Share Option Scheme and Adoption Date of the New Share Option Scheme

At the AGM, an ordinary resolution no. 8 will be proposed that the Existing Share Option Scheme be terminated and the New Share Option Scheme be approved and adopted at the AGM. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III hereto. If the above proposed ordinary resolution no. 8 is approved at the AGM, the Existing Share Option Scheme will terminate with immediate effect and the New Share Option Scheme will take effect, subject to the fulfillment of all the conditions precedent as referred to below, on the date of the AGM (i.e. the Adoption Date). Operation of the New Share Option Scheme will commence after all conditions precedent as referred to below have been fulfilled.

LETTER FROM THE BOARD

Options granted under the Existing Share Option Scheme

Up to the Latest Practicable Date, the Board had granted options pursuant to the Existing Share Option Scheme to eligible participants to subscribe for a total of 459,065,736 Shares representing approximately 26.69% of the issued share capital of the Company as at the Latest Practicable Date. Save as aforesaid and up to the Latest Practicable Date, no other options had been granted to any participant under the Existing Share Option Scheme. As at the Latest Practicable Date, among the aforesaid granted options, there were outstanding options which entitled the participants to subscribe for 143,929,600 Shares, representing approximately 8.37% of the issued share capital of the Company as at the Latest Practicable Date. Besides the Existing Share Option Scheme, there was no other subsisting share option scheme of the Company as at the Latest Practicable Date. The Board confirms that prior to the AGM, it will not grant any further options under the Existing Share Option Scheme.

Upon termination of the Existing Share Option Scheme, no further options may be offered thereunder but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect. Therefore, the expiry of the Existing Share Option Scheme will not in any event affect the terms of those outstanding options that have already been granted under the Existing Share Option Scheme and the above outstanding options granted under the Existing Share Option Scheme shall continue to be subject to the provisions of the Existing Share Option Scheme.

Conditions precedent of the New Share Option Scheme

The New Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders in general meeting approving the termination of the Existing Share Option Scheme;
- (ii) the passing of an ordinary resolution by the Shareholders in general meeting approving the adoption of the New Share Option Scheme, authorizing the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

Maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme

Upon satisfaction of the above conditions, the Board will have the right to grant to the Participants Options to subscribe for Shares under the New Share Option Scheme, provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date on which the New Share Option Scheme is adopted by resolution of the Company in a general meeting, unless the Company obtains a fresh approval from its shareholders to refresh the 10%. As at the Latest Practicable Date, the ordinary issued share capital of the Company

LETTER FROM THE BOARD

comprised 1,719,864,659 Shares. Assuming that there is no change in the ordinary issued share capital between the period from the Latest Practicable Date and the Adoption Date and that there will be no other share option scheme of the Company, the total number of Shares which may be issued upon exercise of all Options to be granted pursuant to the New Share Option Scheme will be 171,986,465 Shares, representing just below 10% of the issued share capital of the Company on the Adoption Date. In addition, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.

Listing of the Shares to be issued upon exercise of the Options

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

Alterations to the terms of the New Share Options Scheme

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof which are of a material nature must be approved by the shareholders of the Company, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

General

The Company does not at present intend to appoint a trustee to the New Share Option Scheme.

In Appendix III, you will find a summary of the principal terms of the New Share Option Scheme.

A copy of the New Share Option Scheme is available for inspection at Unit 4607-8, 46th Floor, COSCO Tower, No.183 Queen's Road Central, Hong Kong, which is the principal place of business of the Company in Hong Kong, at all times during 9:00 a.m. to 6:00 p.m. on any Business Day up to and including the date of the AGM.

Value of the Options

Since the New Share Option Scheme is yet to be approved by the shareholders of the Company, the Board has not yet determined the time frame on the granting of the Options under the New Share Option Scheme and the number of Shares for which any Grantee may subscribe upon exercise of an Option. Accordingly, the Board considers that it is premature and inappropriate to state the value of the Option for the time being in this circular. The Board also considers that it is inappropriate to value all the Options that may be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date. Such value would not be meaningful and could also be misleading to the Shareholders as it would necessarily be based on many speculative assumptions including the exercise price, the exercise period and other variables, all of which would be difficult to speculate on.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

Set out on pages 26 to 30 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 Re-election of Retiring Director, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

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 1712-1716, 17th 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.

In accordance with the requirements of the Listing Rules, the chairman of the AGM will demand that voting on all resolutions set out in the AGM Notice, including the Ordinary Resolutions, be decided by poll.

LETTER FROM THE BOARD

So far as the Directors are aware, as at the Latest Practicable Date, no Shareholder will be required to abstain from voting under the Listing Rules in respect of any of the resolutions to be proposed at the AGM.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATION

The Directors believe that the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, Re-election of Retiring Director, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme and all other resolutions set out in the AGM Notice are all in the best interest 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
Chinasoft International Limited
Dr. Chen Yuhong
(Chairman and Chief Executive Officer)

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 1,719,864,659 Shares in issue. As at the same date, options to subscribe for 143,929,600 Shares had been granted and were outstanding under the Existing Share Option Scheme.

Subject to the passing of the Ordinary Resolution no. 6 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 171,986,465 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 and regulations of the Cayman Islands. The Companies Law (2012 Revision) of the Cayman Islands provides that Shares may 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 2012) 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 may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association and 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 Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by Shareholders and exercised by the Board.

No connected person (as defined in the 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 and exercised by the Board.

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' interests, 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, Keen Insight Limited held 335,076,453 Shares, representing approximately 19.48% of the total issued Shares. 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 total issued Shares as of the Latest Practicable Date.

In the event that the Directors exercise the Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same) the holdings of Keen Insight Limited in the total ordinary issued share capital of Company would be increased from approximately 19.48% to approximately 21.65% of the total ordinary 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 main board of the Stock Exchange in each of the twelve months prior to the Latest Practicable Date were as follows:

	Month	Highest trade price (HK\$)	Lowest trade price (HK\$)	
2012	April	2.450	2.080	
	May	2.190	1.800	
	June	1.980	1.830	
	July	1.880	1.480	
	August	1.830	1.610	
	September	1.980	1.600	
	October	2.080	1.790	
	November	2.070	1.810	
	December	2.000	1.700	
	2013	January	2.070	1.710
		February	1.900	1.720
		March	1.850	1.580
April (up to the Latest Practicable Date)		1.830	1.660	

7. SHARE REPURCHASE MADE BY THE COMPANY

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

The followings are the particulars of the retiring Director proposed to be re-elected:

Mr. Wang Hui (Executive Director)

Mr. Wang Hui (王暉), aged 40, is the senior vice president and chief strategic officer of the Company and has over 10 years of practicing experience in software information industry. Mr. Wang graduated from Tianjin University (天津大學) in 1995. Prior to joining the Company on 25 April 2000, Mr. Wang was a manager of China Greatwall Computer Software Co., Ltd. (中國長城計算機軟體公司) from 1995 to 2000.

In the last three years, Mr. Wang did not hold any other directorships in public companies listed on any securities market in Hong Kong or overseas.

Mr. Wang is not connected with any other Directors, senior management of the Company, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Wang was interested in 6,277,838 Shares, and 1,200,000 Options granted by the Company to subscribe for 1,200,000 Shares representing, approximately 0.37% and 0.07% respectively of the total issued ordinary share capital of the Company within the meaning of Part XV of the SFO.

Mr. Wang has been appointed as an executive Director since 17 November 2005. Mr. Wang has not entered into any service agreement with the Company and will not receive any emolument for his position as an executive Director. Mr. Wang may, however, be paid a discretionary director's salary in a sum to be determined by the remuneration committee of the Company with reference to his performance by the end of each financial year. Mr. Wang is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Save as disclosed above, Mr. Wang confirmed that there are no matter that needs to be brought to the attention of the Shareholders and there are no information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is a summary of the principal terms of the rules of the New Share Option Scheme to be adopted at the AGM:

- (a) The purpose of the New Share Option Scheme is to provide the people and the parties working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interest with the interest of the Group and thereby providing them with an incentive to work better for the interest of the Group. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate, including the contribution or potential contribution to the Group of each Participant and the need to strengthen the long-term relationship that such Participant may have with the Group.
- (b) The New Share Option Scheme is conditional upon (i) the passing of an ordinary resolution by the shareholders of the Company in general meeting approving the termination of the Existing Share Option Scheme, (ii) the passing of an ordinary resolution by the shareholders of the Company in general meeting approving the adoption of the New Share Option Scheme and authorizing the Directors to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme, and (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the Options to be granted under the New Share Option Scheme.
- (c) On and subject to the terms of the New Share Option Scheme, the Board may at any time within 10 years from the Adoption Date invite any participant to take up Options. An Option is deemed to have been granted and accepted by the Grantee upon his or her signing the duplicate letter comprising acceptance of the Offer and paying HK\$1.00 by way of consideration for the grant thereof within 1 month from the Offer Date. The subscription price for Shares in the Company is calculated in accordance with paragraph (d) below.
- (d) The subscription price for Shares in the Company under the New Share Option Scheme will be determined by the Board and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Offer Date; (ii) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the 5 Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.
- (e) (i) Subject to (iv) below, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a fresh approval from the Shareholders pursuant to (ii) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating such 10% limit.

- (ii) Subject to (iv) below, the Company may seek approval of its shareholders in general meeting to refresh the 10% limit as set out in (i) above such that the total number of Shares which may be issued upon exercise of all Options to be granted under all of the schemes of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Options) shall not be counted for the purpose of calculating such 10% refreshed limit. A circular containing the information required under the Listing Rules must be sent to the Shareholders in connection with the general meeting at which their approval is sought.
- (iii) Subject to (iv) below, the Company may seek separate approval by its shareholders in general meeting for granting Options beyond the 10% limit set out in (i) or (ii) above (as the case may be) provided the Options in excess of such limit are granted only to Participants specifically identified by the Company before such approval is sought. In such a case, the Company shall send a circular to the Shareholders containing, amongst other terms, a generic description of the specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) with an explanation as to how these Options serve such purpose and such other information required under the Listing Rules.
- (iv) Notwithstanding (i), (ii) and (iii) above, and subject to paragraph (g) below, maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share options schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.
- (f) Subject to the provisions of the New Share Option Scheme, the Board may at its discretion when making an Offer impose any conditions, restrictions or limitations in relation thereto as it may think fit.
- (g) (i) No Option shall be granted to any Participant such that the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to such Participant under the New Share Option Scheme and any other option schemes of the Company (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such grant shall exceed 1% of the total number of Shares in issue (the “**Participant Limit**”).

- (ii) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over the Participant Limit, such further grant must be separately approved by the Shareholders in general meeting with such Participant and such Participant's associates abstaining from voting. The number and the terms (including the subscription price) of the Options to be granted to such Participant shall be fixed before approval of the shareholders of the Company and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. In such case, the Company shall send a circular to the shareholders of the Company containing, amongst other terms, the identity of such Participant, the number and the terms of the Options to be granted (and Options previously granted to such Participant) and such other information as required under the Listing Rules.

- (h) (i) Any grant of Options to a Participant who is a director, chief executive or substantial shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee).

- (ii) Where the Board proposes to grant any option to a Participant who is a substantial shareholder of the Company or an independent non-executive director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to him or her under the New Share Scheme and any other option schemes in the 12-month period up to and including the date of such grant:
 - (1) representing in aggregate more than 0.1% of the total number of Shares in issue; and
 - (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such proposed grant of Options must be approved by the shareholders of the Company in general meeting with all other connected persons of the Company abstaining from voting (except where any connected person may vote against the relevant resolution at such general meeting provided that his intention to do so is stated in the circular to the shareholders). In such a case, the Company shall send a circular to its shareholders containing all those terms as required under the Listing Rules. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

- (i) An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised. The minimum period for which an Option must be held before it can be exercised, if any, shall be specified in the letter by which an Offer is made to a Participant. Unless otherwise specified in such letter, no performance target needs to be achieved by the Grantee before an Option can be exercised.
- (j) An Option may be exercised in whole or in part at any time during the Option Period in the manner as set out in paragraphs (l), (m), (o), (p) and (q) below by the Grantee (or his or her legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be signed by or on behalf of the Grantee and a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given; and in order for the exercise of an Option to be effective, the Company must have received the aforesaid documents and remittance prior to the expiry of the Option Period. Within 28 days after receipt of the notice, the remittance and, where appropriate, receipt of the independent financial adviser's or the Auditors' certificate pursuant to paragraph (s) below, or such longer period as the Board may decide if the authorised share capital of the Company is insufficient to allot the Shares in respect of such Option, the Company shall allot the relevant Shares to the Grantee (or his or her legal personal representative(s)) credited as fully paid and issue to the Grantee (or his or her legal personal representative(s)) a share certificate in respect of the Shares so allotted.
- (k) An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.
- (l) In the case where the Grantee is an Employee, if the Grantee ceases to be an Employee (1) because the relevant company of which the Grantee is an employee, director or officer ceases to be a member of the Group, or (2) for any reason other than on the Grantee's death or disability or the termination of the Grantee's employment or directorship or office on one or more of the grounds specified in paragraph (n) below, the Grantee may exercise the Option in accordance with the provisions of paragraph (j) above up to the Grantee's entitlement at the date of cessation (to the extent which the Grantee is entitled to exercise but not already exercised) within the period of 3 months following the date of such cessation, which date shall in the case of (1) above, be the date on which the relevant company ceases to be a member of the Group; and in the case of (2) above be the Grantee's last actual working day with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not, and any such Option not so exercised shall lapse and determine at the end of the said 3 months.

- (m) In the case where the Grantee is an Employee and the Grantee (in the case, being a natural person) dies or ceases to be an Employee due to disability before exercising the Option in full and none of the events which would be a ground for termination of his or her employment or directorship or office under paragraph (n) arises, the legal personal representative(s) of the Grantee shall be entitled within a period of 6 months from the date of the death or disability or such longer period as the Board may determine to exercise the Option up to the entitlement of such Grantee at the date of his or her death or disability (to the extent which has become exercisable and not already exercised), and any such Option not so exercised shall lapse and determine after the said 6 months or the said period.
- (n) An Option (including any Option which has not become exercisable or which has become exercisable and not already exercised) shall lapse automatically and not be exercisable on the earliest of:-
- (i) the expiry of the relevant Option Period;
 - (ii) the expiry of the periods referred to in paragraphs (l), (m) or (p);
 - (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to paragraph (q) below;
 - (iv) the date on which the Grantee, being an Employee, ceases to be an Employee by reason of the termination of his or her employment or directorship or office on the grounds that he or she has been guilty of misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or any Subsidiary. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment, directorship or office of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; provided that whether any one or more of the events specified in the above occur in relation to a Grantee shall be solely and conclusively determined by the Board;
 - (v) subject to sub-paragraph (o), the date of the commencement of the winding-up of the Company;
 - (vi) the date on which the Option is cancelled by the Board as provided in paragraphs (k) and (u) in this Appendix.
- (o) In the event a notice is given by the Company to the shareholders of the Company to convene a meeting of the shareholders of the Company for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall, on the same date or soon after it despatches such notice to convene the meeting of the

shareholders of the Company, give notice thereof to the Grantees and each Grantee (or his or her legal personal representative(s)) may by notice in writing to the Company (such notice to be received by the Company not later than 4 Business Days prior to the proposed date of the meeting of the shareholders of the Company) exercise the Option (to the extent which has become exercisable on the Business Day immediately prior to the date of the proposed meeting of the shareholders of the Company and not already exercised), and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting of the shareholders of the Company, allot and issue such number of Share which falls to be issued on such exercise to the Grantee credited as fully paid, and any such Option not so exercised shall lapse and determine on the commencement of the winding-up.

- (p) If, in consequence of a general offer by way of take-over is made to all the shareholders of the Company, or all shareholders of the Company other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (including an offer made in the first instance on a condition such that if it is satisfied the offeror will have control of the Company or otherwise, any person shall have obtained control of the Company, then the Board shall as soon as practicable thereafter notify the Grantees accordingly and each Grantee (or his or her legal personal representative(s)) shall be entitled to exercise, at any time within the period of 14 days after such control has been obtained, the Option (to the extent which has become exercisable and not already exercised), provided that if during such period such person becomes entitled to acquire the remaining Shares and gives notice in writing to any Shareholder of his intention to acquire such Shares, then each Grantee (or his or her legal personal representative(s)) may on or before 21 days of such notice exercise the Option (to the extent which has become exercisable and not already exercised), and any such Option not so exercised shall lapse and determine after the said period.
- (q) If a compromise or arrangement between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his or her legal personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the end of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise the Options (to the extent which has become exercisable and not already exercised), but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee

in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

- (r) The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of their allotment and issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the date of allotment and issue.

- (s) Upon the occurrence of any variation in the issued share capital of the Company individually or in aggregate exceeding 5% of the nominal value of all issued Shares as at the Adoption Date or the date of any previous adjustment(s) pursuant to hereunder (whichever is later) which arises or may arise immediately following the Adoption Date from any issue of shares in or other securities of the Company by way of capitalization of profits or reserves or by way of rights under an offer made pro rata to shareholders of the Company or sub-division or consolidation of shares in the capital of the Company or reduction of the share capital of the Company or any other event which the Directors considers an adjustment hereunder may be necessary or appropriate (the “**Relevant Event**”):
 - (A) the number of nominal amount of Shares comprised in each Option for the time being outstanding;
 - (B) the subscription price thereunder;
 - (C) the Participant Limit in relation to any Grantee;
 - (D) the requirement that any Offer may only be accepted in respect of a board lot for dealing in Shares on the Stock Exchange from time to time or an integral multiple thereof; and/or
 - (E) (subject to sub-paragraphs (w), (x), (y) and (z) below) the provisions of the New Share Option Scheme,

may be adjusted in such manner that the proportion of equity capital of the Company to which the Grantee is entitled after the adjustment(s) becoming effective shall be the same as that to which he was entitled immediately prior to the Relevant Event but shall however be in a manner as the Board (having received a statement in writing from the auditors or independent financial adviser of the Company, acting as experts and not as arbitrators, that in their opinion the adjustment(s) proposed are fair and reasonable having regard to the supplemental guidance set out in and enclosed under the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of rule 17.03(1) of the Listing Rules) may deem appropriate, subject always that no such adjustment shall have the effect of rendering:

- (I) the subscription price per share payable upon the exercise of any Option becoming less than the nominal amount of the Share;
- (II) the amount equal to the subscription price per share as multiplied by the relevant number of Shares in respect of which the Option could be exercised, relating to any Option being increased;
- (III) the aggregate percentage of the issued share capital of the Company available for the grant of Options shall not be greater than the limit referred to in sub-paragraph (e)(i) or the limit referred to in sub-paragraph (e)(iv); and
- (IV) the Intrinsic Value of any Option to have increased to the advantage of the Grantee (comparing the Intrinsic Value of the Options immediately before and after the Relevant Event) (for such purpose the “**Intrinsic Value**” shall mean the difference between the market price (or theoretical ex-entitlement price) of the Shares under the Option and the subscription price (or revised subscription price) of the Option),

provided further that where such Relevant Event arises from an issue of Shares, references herein to Options shall include references to Options that have been exercised prior to the date of such adjustment(s) in respect of Shares which pursuant to sub-paragraph (r) do not rank and are not entitled to participate in such issue.

In addition, in respect of any adjustments under this sub-paragraph (s), other than any made on a capitalisation issue, the auditors or independent financial adviser of the Company must confirm to the Board in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

Notice of any such adjustment(s) shall be given to the Grantees by the Company.

- (t) The New Share Option Scheme will be valid and remain in force for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted or accepted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted and accepted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme, and Options which are granted and accepted during the life of the New Share Option Scheme may continue to be valid and exercisable in accordance with their terms of issue. On and subject to the terms of the New Share Option Scheme, the Board shall be entitled, at any time within 10 years from the Adoption Date, to make an Offer to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may (subject to paragraphs (g), (h) and (n) above) determine the subscription price for the Shares.

- (u) The Board may effect the cancellation of any Option granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels Options and offer new Options to the same Option holder, the offer of such new Options may only be made under the New Share Option Scheme with available Options to the extent not yet issued (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph (e) above.
- (v) The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or accepted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect and all Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue.
- (w) The provisions of the New Share Option Scheme may be altered in any respect by resolution of the Board except that the following provisions of the New Share Option Scheme shall not be altered to extend the class of persons eligible for the grant of Option or to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in general meeting, provided howsoever that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares:–
 - (i) the definitions of “Employee”, “Participant”, “Grantee” and “Option Period” in sub-paragraph 1.1 thereof; and
 - (ii) the provisions of sub-paragraphs 4.1 (as summarized in paragraph (t) above), 5.1 (as summarized in paragraph (t) above), 5.2 (as summarized in paragraph (aa) below), 5.3 (in respect of the required procedures in relation to the making by the Board of an offer of the grant of an Option to a Participant), 5.4 (as summarized in paragraph (c) above), 6 (as summarized in paragraph (d) above), 7 (as summarized in paragraphs (i), (k), and (r) above), 8 (as summarized in paragraph (n) above), 9 (as summarized in paragraphs (e) and (g) above), 10 (as summarized in paragraphs (g) and (h) above), 11 (in respect of adjustments in relation to, for instance, the number of nominal amount of Shares comprised in each outstanding Option, the subscription price, the Participant Limit regarding any Grantee, upon the occurrence of any variation in the issued share capital of the Company individually or in aggregate exceeding 5% of the nominal value of the issued Shares as at the Adoption Date), 14 (as summarized in this paragraph (w)), 15 (as summarized in paragraph (u) above) and 16 (as summarized in paragraph (v) above) thereof; and
 - (iii) those relating to the matters set out in rule 17.03 of the Listing Rules.

- (x) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the shareholders of the Company in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (y) Amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements under Chapter 17 of the Listing Rules.
- (z) Any change to the authority of the directors of the Company or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme must be approved by the shareholders of the Company in general meeting.
- (aa) No Offer shall be made after inside information (as defined in the Listing Rules) has come to the knowledge of the Company until the Company has announced the information. In particular, during the period of one month immediately preceding the earlier of:–
 - (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

NOTICE OF 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: 354)

NOTICE IS HEREBY GIVEN that an annual general meeting of CHINASOFT INTERNATIONAL LIMITED (the “Company”) will be held at 3:30 pm on Monday, 20 May 2013 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 consolidated financial statements of the Company and the reports of the directors and independent auditors of the Company for the year ended 31 December 2012;
2. To re-elect Mr. Wang Hui as director of the Company;
3. To authorise the board of directors of the Company to fix the remuneration of directors of the Company;
4. 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

5. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the main board 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 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;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (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 to 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.

“**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.)”

NOTICE OF ANNUAL GENERAL MEETING

6. **“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 main board 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
- (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.”

7. **“THAT** conditional upon the resolutions set out in items 5 and 6 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 5 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 6, 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.”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT:**

- (a) the existing share option scheme which was adopted by a written resolution of the shareholders of the Company on 2nd June 2003 be and is hereby terminated with immediate effect; and
- (b) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the shares in the Company to be issued and allotted pursuant to the exercise of any options to be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the terms of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, the New Share Option Scheme be and is hereby approved and adopted and the Directors be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:
 - (i) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;
 - (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
 - (iii) to issue and allot from time to time such number of shares in the Company as may be required to be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
 - (iv) to make application at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of, and permission to deal in, any shares in the Company which may hereafter from time to time be issued and allotted pursuant to the exercise of the options to be granted under the New Share Option Scheme; and
 - (v) to consent, if they so deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By order of the Board
Chinasoft International Limited
Dr. Chen Yuhong
Chairman and Chief Executive Officer

17 April 2013

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

Century Yard, Cricket Square,
Hutchins Drive, P.O. Box 2681 GT,
George Town, Grand Cayman KY1-1111,
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 (if hold more than one share) 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 Rooms 1712-1716, 17th 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 Wednesday, 15 May 2013 to Monday, 20 May 2013, both days inclusive, during which period no transfer of shares will be registered. In order to ascertain the right to attend the forthcoming annual general meeting, 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 May 2013.
- (6) With regard to item no. 2 in this notice, details of the retiring director of the Company are set out in Appendix II to the circular to shareholders of the Company dated 17 April 2013.