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*This announcement, for which the directors of Chinasoft International Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to Chinasoft International Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



## **CHINASOFT INTERNATIONAL LIMITED**

**中軟國際有限公司\***

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

**(Stock Code: 8216)**

### **PROPOSED RENEWAL OF SHARE OPTION SCHEME LIMIT AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Board proposed to the shareholders of the Company for their approval at the AGM, among other things, for (i) for renewal of the existing Scheme Mandate Limit, and (ii) the amendments to the Articles of Association in order to align the Articles of Association with the amendments relating to corporate governance practices in the GEM Listing Rules which became effective on 1 January 2005. This announcement is made pursuant to the requirement of Rule 17.50(1) of the GEM Listing Rules. A circular containing the notice of the AGM, particulars of the renewal of the Scheme Mandate Limit, Proposed Amendments to the Articles of Association and other relevant information has been despatched to shareholders of the Company on 6 April, 2005.

The board of directors (the “Board”) of Chinasoft International Limited (the “Company”) announces that at a meeting of the Board held on 23 March, 2005, the Board decided to propose to the shareholders of the Company for their approval, among other things, at the forthcoming annual general meeting of the Company (the “AGM”) to be held at 3:00 p.m. on 28 April, 2005 at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, for the renewal of existing limit on the granting of options under the Share Option Scheme (as hereinafter defined) (the “Scheme Mandate Limit”) and the amendments (the “Proposed Amendments”) to the articles of association of the Company (the “Articles of Association”) in order to align the Articles of Association with the amendments relating to corporate governance practices in the GEM Listing Rules which became effective on 1 January 2005. A brief description of the renewal of the Scheme Mandate Limit and the Proposed Amendments are as follows:

## **RENEWAL OF THE EXISTING SCHEME MANDATE LIMIT**

The Company adopted the share option scheme approved by way of written resolution of the Company on 2nd June, 2003 (the “Share Option Scheme”). Under the existing Scheme Mandate Limit, the Company may grant options to subscribe for up to a total of 64,000,000 shares of HK\$0.05 each in the capital of the Company (the “Shares”).

Up to the date of this announcement, the Company had granted to certain participants options to subscribe for an aggregate of 63,740,000 Shares, out of which no granted options had lapsed or had been exercised as at the date of this announcement. As such, 260,000 options may be granted under the Share Option Scheme before the renewal of the Scheme Mandate Limit.

The Directors consider that the Company should renew the Scheme Mandate Limit so that the Company could have more flexibility to provide incentive to participants by way of granting options to them. If the renewal of the existing Scheme Mandate Limit is approved at the AGM, based on the 697,500,000 Shares in issue as at the date of this announcement and assuming no further Shares are issued, and no Shares are repurchased after the date of this announcement and up to the date of the AGM, the Directors will, apart from the 63,740,000 options which have already been granted and are still outstanding, be able to grant options to subscribe for up to a total 69,750,000 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM.

The Directors consider that the renewal 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 renewal of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme.

## **PROPOSED AMENDMENTS**

The Articles of Association are proposed to be amended as follow:—

<b>Article No.</b>	<b>Proposed changes</b>
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<b>Article 66</b>	By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the third sentence of the Article 66.
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<b>Article 87(1)</b>	By deleting the existing Article 87(1) in its entirety and substituting therefor a new Article 87(1) as follows:
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“87. (1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.”

- Article 155**
1. By deleting the words “Members appoint another auditor” from the third line of Article 155(1) and replacing therewith “next annual general meeting”.
  2. By deleting the existing Article 155(2) in its entirety and by re-numbering the existing Article 155(3) as new Article 155(2).

**Article 158**

“By deleting the existing Article 158 in its entirety and substituting therefor a new Article 158 as follows:

“158. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, or by his removal in accordance with the Articles, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.’

A circular containing, among other things, further details of the renewal of the Scheme Mandate Limit and the Proposed Amendments and the notice of the AGM setting out in full the special resolution to approve the Proposed Amendments and other resolutions to be proposed at the AGM has been despatched to the shareholders of the Company on 6 April, 2005.

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

Hong Kong, 6 April, 2005

The Directors of the Company as at the date of this announcement are as follows:

**Executive Directors:**

Ms. Tang Min, Dr. Chen Yuhong, Mr. Duncan Chiu, Mr. Peng Jiang, Mr. Cui Hui

**Non-executive Directors:**

Mr. David Chiu, Mr. Liu Zheng, Dr. Chen Qiwei

**Independent Non-executive Directors:**

Mr. He Ning, Mr. Zeng Zhijie, Mr. Au Yeung Shiu Kau Peter

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.*

*\* For identification purpose only*