THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 or transfer 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 NEW SHARES AND REPURCHASE SHARES
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF DIVIDEND

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 4:00 p.m. on Friday, 18 May 2018 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 Shops 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.

17 April 2018

* *For identification purpose only*

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

"AGM"	the annual general meeting of the Company to be held at Units 4607-8, 46th Floor, COSCO Tower, No.183 Queen's Road Central, Hong Kong on Friday, 18 May 2018 at 4:00 p.m.;
"AGM Notice"	the notice 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;
"Company"	Chinasoft International Limited (Stock Code: 354), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
"Directors"	directors of the Company for the time being;
"Existing Share Option Scheme"	the share option scheme of the Company adopted pursuant to an ordinary resolution of the Company passed by the Shareholders on 20 May 2013
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Latest Practicable Date"	9 April 2018, 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;
"Option"	a right to subscribe for Shares on terms determined by the Board and granted pursuant to the terms of the Existing Share Option Scheme and the Terminated Scheme;
"Ordinary Resolution(s)"	the proposed ordinary resolution(s) as set out in the AGM Notice;
"PRC"	the People's Republic of China;

"Re-election of Retiring Directors"	the proposed re-election of Mr. Gao Liangyu as a non-executive director, Dr. Leung Wing Yin Patrick as an independent non-executive director and Dr. Lai Guanrong as an independent non-excutive 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 total number of Shares in issue as at the date of passing of Ordinary Resolution no. 6 during the period as set out in Ordinary Resolution no. 6;
"Scheme Mandate Limit"	the number of Shares which may be issued upon exercise of the maximum number of Options that may be granted under the Existing Share Option Scheme, or of the such limit after refreshment as approved by the Shareholders;
"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 total number of Shares in issue as at the date of passing Ordinary Resolution no. 5;
"Shareholder(s)"	holder(s) of Share(s);
"Stock Exchange" or "SEHK"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs;

"Terminated Scheme"	the share option scheme adopted by a written resolution of the shareholders of the Company on 2 June 2003 and terminated pursuant to an ordinary resolution of the Company passed by the Shareholders on 20 May 2013;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"RMB"	Renminbi, the lawful currency of the PRC; and
"%"	per cent.

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

Non-executive Director:
Dr. Zhang Yaqin
Mr. Samuel Thomas Goodner
Mr. Gao Liangyu

Independent Non-executive Directors:
Mr. Zeng Zhijie
Dr. Leung Wing Yin Patrick
Dr. Lai Guanrong

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

Principal place of business in Hong Kong:
Unit 4607-8, 46th Floor,
COSCO Tower,
No. 183 Queen's Road Central,
Hong Kong

17 April 2018

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

At the AGM to be held on Friday, 18 May 2018, 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 Directors, to refresh the Scheme Mandate Limit and to approve the payment of a dividend from the share premium account of the Company in respect of the year ended 31 December 2017.

* *For identification purpose only*

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 retiring Directors to be re-elected and the payment of a dividend, 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 total number of Shares in issue 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 total number of Shares in issue 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 new Shares as mentioned in paragraph (i) above by the aggregate number of Shares 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 2017 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,402,274,436 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 480,454,887 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 Existing Share Option Scheme and terminated the Terminated Scheme by the Shareholders at the annual general meeting held on 20 May 2013. Under the rules of the Existing 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;

(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 Existing Share Option Scheme and other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) shall 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 Existing 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.

Under the Existing Share Option Scheme, the Board has the right to grant to the eligible participants Options to subscribe for a maximum of 240,227,443 Shares, being 10% of the Shares in issue as at 18 May 2017, being the date of annual general meeting of the Company at which the scheme mandate limit was previously refreshed and representing approximately 10% of the issued ordinary share capital of the Company as at the Latest Practicable Date.

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 2017, Options to subscribe for 20,000,000 Shares were granted, and no Option was exercised, cancelled or lapsed under the Existing Share Option Scheme.

Since the date of adoption of the Existing Share Option Scheme, as at the Latest Practicable Date, Options carrying right to subscribe for up to 273,000,000 Shares remain outstanding under the Existing Share Option Scheme.

The total number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Existing Share Option Scheme is 273,000,000 (representing approximately 11.36% of the issued ordinary share capital of the Company as at the Latest Practicable Date). Of these outstanding Options, 3,000,000 Options were granted to Dr. Zhang Yaqin (being Director). The remaining 270,000,000 Options were granted to other participants of the Existing Share Option Scheme.

As the Company had increased its total number of issued Shares pursuant to, including but not limited to, placing and subscription of shares, exercise of share options and conversion of convertible notes, etc. since the date of adoption of Existing Share Option Scheme, a refreshment of the Scheme Mandate Limit would increase the total number of options that the Directors may grant under the Existing Share Option Scheme. The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company can have more flexibility to provide incentive to participants of the Existing Share Option Scheme by way of granting Options to them. If the refreshment of the Scheme Mandate Limit is approved at the AGM, based on the 2,402,274,436 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 authorised to grant Options to subscribe for up to a total of 240,227,443 Shares, representing approximately 10% of the issued ordinary share capital of the Company as at the date of the AGM. Accordingly, the Board proposes to refresh the Scheme Mandate Limit to the effect that the maximum number of Shares which may be issued upon exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed will be 240,227,443 Shares (assuming no further issue or repurchase of Shares prior to the AGM), representing approximately 10% of the issued share capital of the Company as at the date of the approval of the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM. As at the Latest Practicable Date, the Company has not adopted any share option schemes other than the Existing Share Option Scheme and the Terminated Scheme.

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 Existing 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 240,227,443 Shares, representing 10% of the issued ordinary share capital of the Company 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 AGM, to be issued pursuant to the exercise of the Options which may be granted under the Existing Share Option Scheme up to the refreshed Scheme Mandate Limit.

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

An ordinary resolution, as special business, will be proposed at the forthcoming AGM to approve the refreshment of the existing Scheme Mandate Limit in the terms as set out in Resolution no.8 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 RETIRING DIRECTORS

The Board currently consists of eight Directors including two executive Directors, three non-executive Directors and three 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. In addition, any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Mr. Samuel Thomas Goodner, Dr. Leung Wing Yin Patrick and Dr. Lai Guanrong, being those among the other Directors who have been longest in office since their last re-election, shall retire by rotation at the AGM. Except Mr. Samuel Thomas Goodher, all other retiring Directors, being eligible, will offer themselves for re-election. Mr. Gao Liangyu shall hold office only until the AGM and shall then be eligible for re-election.

Up to the date of this circular, Dr. Leung Wing Yin Patrick has served as an independent non-executive Director for more than nine years since 22 March 2006. Pursuant to code provision A.4.3 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, (a) having served the company for more than nine years could be relevant to the determination of an independent non-executive director's independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Dr. Leung Wing Yin Patrick a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Dr. Leung Wing Yin Patrick has not engaged in any executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Directors consider Dr. Leung Wing Yin Patrick to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Dr. Leung Wing Yin Patrick shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders at the AGM.

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

5. DECLARATION OF DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

As mentioned in the announcement of the Company dated 26 March 2018, the Board has resolved to recommend a dividend out of the share premium account of the Company of HK$0.018 per Share in respect of the year ended 31 December 2017, (the "Dividend") which is subject to approval of the Shareholders at the AGM and compliance with the Companies Law, Cap 22 (Law 3 of 1961, as

(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 total number of ordinary shares of the Company in issue on the date of the passing this resolution provided that if any subsequent consolidation or subdivision of ordinary shares of the Company is effected, the maximum number of ordinary shares of the Company that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued ordinary shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of ordinary shares of the Company shall be adjusted 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 ordinary 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 ordinary shares in the Company on the register on a fixed record date in proportion to their then holdings of such ordinary 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.)"

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 ordinary 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 number 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 total number of ordinary shares of the Company in issue as at the date of the passing of this resolution provided that if any subsequent consolidation or subdivision of ordinary shares of the Company is effected, the maximum number of ordinary shares of the Company that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued ordinary shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of ordinary shares of the Company shall be adjusted accordingly;

(c) for the purpose of this resolution,

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

(i) the conclusion of the next annual general meeting of the Company;

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

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