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CHINASOFT INTERNATIONAL LIMITED

中 軟 國 際 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 354)

VOLUNTARY ANNOUNCEMENT

CHINASOFT SIGNS A STRATEGIC COOPERATION AGREEMENT WITH BAIDU ENTERING INTO THE AI SERVICE BLUE-SEA MARKET

This announcement is issued by Chinasoft International Limited (the “**Company**”) as a voluntary announcement to allow the public to understand the latest information on the Company.

The Company is pleased to announce that the Company has signed an artificial intelligence (“**AI**”) strategic cooperation agreement with Beijing Baidu Network Technology Co., Ltd. (“**Baidu**”). The two parties will jointly push forward the integration of AI technologies with IT services and help different industries to realize “smart upgrades” using AI technologies for expansion in industries and promotion of innovative technologies.

In the software service market, the Company will combine its accumulation of experiences in AI, cloud, and big data with Baidu’s AI technology and capability, to create a new generation of IT technologies. These next generation technologies will be integrated into the Company’s products and solutions to help the Company to continue to improve its products and innovative servicing capabilities. By combining software customization with AI technology, building reusable AI asset, creating AI infused products and services, the Company is looking forward to seize the opportunity in blue sea market of AI service in the future. Through this, develop efficiency improvement and competitive advantages.

In terms of industry expansion, the Company will be facing enterprise-level market and its customer demand. The Company will combine Baidu’s AI technology and jointly develop new generation industry solutions in key industries. The Company will then help the market expansion to form a win-win situation with the industry chain.

As a strategic technology that is pioneering the future, AI has already become a new engine for economic development. The strategic agreement of the Company and Baidu further strengthened the relationship of the two parties. Furthermore, this cooperation helps the Company to increase its product innovation and seize the opportunity of the AI services in the AI application markets to enable the Company's strategic transformation.

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

7 December 2017, Hong Kong

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Chen Yuhong (Chairman and Chief Executive Officer) and Dr. Tang Zhenming, three non-executive Directors, namely Dr. Zhang Yaqin, Mr. Gao Liangyu and Mr. Samuel Thomas Goodner, and three independent non-executive Directors, namely Mr. Zeng Zhijie, Dr. Leung Wing Yin and Dr. Lai Guanrong.

* For identification purposes only