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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 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**

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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 Thursday, 18 May 2017 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 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, 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.

13 April 2017

\* For identification purpose only

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## DEFINITIONS

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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 Thursday, 18 May 2017 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”	6 April 2017, 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;

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## DEFINITIONS

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“Re-election of Retiring Directors”	the proposed re-election of Dr. Chen Yuhong as an executive director, Dr. Tang Zhenming as an executive director and Mr. Zeng Zhijie as an independent non-executive director immediately following their retirement at the AGM;
“Repurchase Mandate”	a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the 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;

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

Dr. Tang Zhenming

*Non-executive Directors:*

Dr. Zhang Yaqin

Mr. Samuel Thomas Goodner

*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

13 April 2017

*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 Thursday, 18 May 2017, 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 2016.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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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 declaration 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 2016 will expire at the AGM.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,391,674,436 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 478,334,887 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;

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## LETTER FROM THE BOARD

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- (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 215,849,751 Shares, being 10% of the Shares in issue as at 18 May 2016, being the date of annual general meeting of the Company at which the scheme mandate limit was previously refreshed and representing approximately 9.03% 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 2016, (i) Options to subscribe for 215,000,000 Shares, 100,300,000 Shares and no Shares were granted, exercised and lapsed respectively under the Existing Share Option Scheme and (ii) Options to subscribe for 2,500,000 Shares and 2,500,000 Shares were exercised and lapsed respectively under the Terminated Scheme.

Since the date of adoption of the Existing Share Option Scheme, as at the Latest Practicable Date, (i) Options carrying right to subscribe for up to 252,955,000 Shares remain outstanding under the Existing Share Option Scheme, and (ii) Options carrying rights to subscribe for up to a total of 10,650,000 Shares remain outstanding under the Terminated 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 and the Terminated Scheme are 263,605,000 (representing approximately 11.02% of the issued ordinary share capital of the Company as at the Latest Practicable Date). Of these outstanding Options, 10,000,000 Options were granted to Dr. Chen Yuhong, 12,000,000 Options were granted to Dr. Tang Zhenming and 3,000,000 options were granted to Dr. Zhang Yaqin (all being Directors). The remaining 238,605,000 Options were granted to other participants of the Existing Share Option Scheme and Terminated Scheme.



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## LETTER FROM THE BOARD

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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 2,391,674,436 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 239,167,443 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 239,167,443 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 239,167,443 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.

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## LETTER FROM THE BOARD

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#### 4. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven Directors including two executive Directors, two 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.

Dr. Chen Yuhong, Dr. Tang Zhenming and Mr. Zeng Zhijie, being those among the other Directors who have been longest in office since their last re-election, shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

Up to the date of this circular, Mr. Zeng Zhijie has served as an independent non-executive Director for more than nine years since 2003. 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 Mr. Zeng Zhijie a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Zeng 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 Mr. Zeng to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Zeng 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 27 March 2017, the Board has resolved to recommend a dividend out of the share premium account of the Company of HK\$0.012 per Share in respect of the year ended 31 December 2016 (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 consolidated and revised) of the Cayman Islands (the "Company Law") and will be payable on 13 June 2017.

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## LETTER FROM THE BOARD

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Under Section 34(2) of the Companies Law, the share premium account may be applied by the company paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business. The Board confirms that with respect to the Dividend, the Company meets the solvency test as laid down under the Companies Law and shall be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which the Dividend is proposed to be paid.

The register of members of Shares will be closed from 31 May 2017 to 2 June 2017, both days inclusive. In order to qualify for the Dividend, all completed transfer forms accompanied by the relevant Share certificates must be lodged with 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 for registration not later than 4:30 p.m. on 29 May 2017.

### **6. ANNUAL GENERAL MEETING**

Set out on pages 17 to 21 in this circular is the AGM Notice containing the Ordinary Resolutions to be proposed at the AGM to, among other things, grant to the Directors the Repurchase Mandate, the Share Issue Mandate, the extension of the Share Issue Mandate, to approve the refreshment of the Scheme Mandate Limit, the Re-election of Retiring Directors and the declaration of Dividend.

### **7. 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 Rooms 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.

### **8. VOTE BY POLL**

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

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## LETTER FROM THE BOARD

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- (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 Rule 13.39(4) 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.

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.

### **9. 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.

### **10. RECOMMENDATION**

The Directors believe that the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, the refreshment of the Scheme Mandate Limit, Re-election of Retiring Directors and declaration of Dividend 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 2,391,674,436 Shares in issue. As at the same date, Options to subscribe for 263,605,000 Shares had been granted and were outstanding under the Existing Share Option Scheme and Terminated 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 239,167,443 Shares representing not more than 10% of the issued Shares as 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, Cap.22 (Law 3 of 1961, as consolidated and revised) 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 2016) 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 close 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 core 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, Dr. Chen Yuhong and his associates held 254,392,861 Shares, representing approximately 10.64% 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 Dr. Chen Yuhong in the total ordinary issued share capital of Company would be increased from approximately 10.64% to approximately 11.81% 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:

<b>Month</b>	<b>Highest trade price (HK\$)</b>	<b>Lowest trade price (HK\$)</b>
<b>2016</b>		
April	3.10	2.70
May	3.00	2.65
June	3.19	2.83
July	3.23	2.91
August	3.80	3.15
September	3.97	3.43
October	3.90	3.51
November	4.04	3.49
December	4.23	3.51
<b>2017</b>		
January	3.82	3.52
February	4.05	3.70
March	4.67	3.79
April (up to the Latest Practicable Date)	4.71	4.42

**7. SHARE REPURCHASE MADE BY THE COMPANY**

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

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

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

### **Dr. Chen Yuhong (Executive Director)**

Dr. Chen Yuhong (陳宇紅), aged 54, is the Chairman and the Chief Executive Officer of the Company and is responsible for the overall business development of the Group. He has over 20 years of practicing experience in software information industry. Dr. Chen holds a doctorate degree in optics from Beijing Institute of Technology (北京理工大學) in 1991. Prior to joining the Company on 25 April 2000, Dr. Chen worked at China National Computer Software & Technology Service Corporation (“CS&S”) from October 1996 to April 2000, subsequently was appointed as vice president in June 1999 and as senior vice president of CNTC (中軟網絡信息技術有限公司) in December 2003. He has also been appointed a director of Chinasoft Resources Information Technology Services Limited. He was also a director of CS&S Cyber Resources Software Technology (Tianjin) Co., Ltd., an associate company of CS&S from 1999 to March 2002. From June 1991 to October 1996, he was the deputy general manager of China Great Wall Computer Software Co., Ltd. (中國長城計算機軟件公司).

Dr. Chen is a member of remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Dr. Chen did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Dr. Chen is not connected with any other Directors, senior management of the Company, substantial or controlling Shareholders. As at the Latest Practicable Date, Dr. Chen was interested in 254,392,861 Shares, representing approximately 10.64% of the total issued ordinary share capital of the Company and 10,000,000 Options granted by the Company to subscribe for 10,000,000 Shares within the meaning of Part XV of the SFO.

Dr. Chen entered into a service contract with the Company for a term of two years from 20 June 2003 which has continued thereafter until terminated by either party giving not less than three months’ prior written notice. Dr. Chen is subject to retirement by rotation and re-election in accordance with the Articles of Association. For the year ended 31 December 2016, Dr. Chen received an annual remuneration of RMB4,655,770 from the Company for his position as an executive Director. The monthly salary for Dr. Chen is to be reviewed annually by the remuneration committee of the Company. For the period from the expiry of the first year of appointment, the salary of Dr. Chen shall be determined by the remuneration committee of the Company but shall not be more than 120 percent of the annual salary for the preceding year. Dr. Chen is entitled to management bonus by reference to the consolidated net profits of the Group after taxation and minority interests but before extraordinary items as shown in the Group’s audited consolidated accounts for the relevant financial year (the “Net Profits”) as the Board may approve, provided that the aggregate amount of management bonus payable to Dr. Chen in respect of any financial year of the Group shall not exceed 5 percent of the Net Profits; and he shall abstain from voting and shall not be counted in the quorum in respect of the resolution regarding the amount of management bonus payable to himself. Dr. Chen’s remuneration is determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and current arrangement adopted by the Company.



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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

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Save as disclosed above, Dr. Chen 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.

### **Dr. Tang Zhenming (Executive Director)**

Dr. Tang Zhenming (唐振明), aged 54, is the senior vice president of the Company. He is responsible for the Group's training department and has over 20 years of practicing experience in software information industry. Dr. Tang obtained a doctorate degree in motor electronic control from Beijing Institute of Technology (北京理工大學) in 1994. Prior to joining the Company on 25 April 2000, Dr. Tang was employed by Beijing Institute of Technology Industrial Company (北京理工大學產業總公司) as deputy general manager from May 1995 to March 2000 and by American W&P Company, Beijing Office (美國W&P公司北京辦事處) as officer from December 1993 to March 1995.

Save as disclosed above, as at the Latest Practicable Date, Dr. Tang did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Dr. Tang is not connected with any other Directors, senior management of the Company, substantial or controlling Shareholders. As at the Latest Practicable Date, Dr. Tang was interested or had deemed interested in 11,827,765 Shares, and 12,000,000 Options granted by the Company to subscribe for 12,000,000 Shares representing, approximately 0.49% and 0.50% respectively of the total issued ordinary share capital of the Company within the meaning of Part XV of the SFO.

Dr. Tang has been appointed as an executive Director since 17 November 2005. Dr. Tang has not entered into any service agreement with the Company and will not receive any emolument for his position as an executive Director. Dr. Tang 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. For the year ended 31 December 2016, Dr. Tang was entitled to receive salary and benefits of RMB3,385,796. Dr. Tang is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Save as disclosed above, Dr. Tang 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.

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## APPENDIX II                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

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### **Mr. Zeng Zhijie (Independent Non-executive Director)**

Mr. Zeng Zhijie (曾之杰), aged 49, was appointed on 21 April 2003. Mr. Zeng is currently the chairman and a managing partner of Shenzhen Hongtai Fund (深圳鴻泰基金), and the chairman of Houwang Investment (厚望投資). He has been active in the venture capital industry for twenty years. Since 2008, Mr. Zeng has taken the positions of senior managing director of CITIC Capital Holdings Limited, and general manager of Kaixin Investment Co., Ltd. He was responsible for venture capital and growth stage business. From 2001 to 2008, he was a managing director of Walden International, an established global venture capital firm. He was mainly responsible for venture investments in China and the Asia-pacific region. Prior to Walden International as the general manager, Mr Zeng worked for CITIC Pacific Ltd. in Hong Kong and Mitsubishi Corporation in Tokyo, Japan. At present, Mr. Zeng serves as independent director for three listed companies: Chinasoft International limited (SEHK), Smit Holdings Limited (SEHK) and CTS International Logistics Corp Ltd (Shanghai Stock Exchange). He also serves as independent director of United Overseas Bank. Mr. Zeng also serves as the 1st Co-chairman of the Venture Capital Association of Investment Association of China, the executive director of AAMA China branch and board member of WRSACC 2005 Committee. He was listed in Thousand Talents Program and Beijing Recruitment Program of Global Experts organized by Organization Department of the CPC Central Committee. Mr. Zeng obtained a bachelor's degree in economics from the University of Nagasaki, Japan, and a master of science degree in management from Stanford University.

Mr. Zeng is a member of audit committee, remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zeng did not hold any other directorship in public companies listed on any securities market in Hong Kong or overseas in the last three years nor hold any position in any members of the Group.

Mr. Zeng is not connected with any other Directors, senior management of the Company, substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Zeng was interested in 250,000 Shares, representing, approximately 0.01% of the total issued ordinary share capital of the Company within the meaning of Part XV of the SFO.

Mr. Zeng has been appointed as an independent non-executive Director since 21 April 2003. Mr. Zeng has entered into a service agreement for a term of 2 years since 20 June 2003 with the Company and his appointment has continued since expiry of such term. Mr. Zeng is entitled to an annual remuneration of HK\$120,000 for his position as an independent non-executive Director. Mr. Zeng is subject to retirement by rotation and re-election in accordance with the Articles of Association.

Save as disclosed above, Mr. Zeng 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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 IS HEREBY GIVEN** that an annual general meeting of CHINASOFT INTERNATIONAL LIMITED (the “**Company**”) will be held at 4:00 p.m. on Thursday, 18 May 2017 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 auditor of the Company for the year ended 31 December 2016;
2.
  - (i) To re-elect Dr. Chen Yuhong as executive director of the Company;
  - (ii) To re-elect Dr. Tang Zhenming as executive director of the Company;
  - (iii) To re-elect Mr. Zeng Zhijie (who has served as an independent non-executive director for more than 9 years) as independent non-executive 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 auditor 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 number of ordinary shares 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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“**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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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 the total number of ordinary shares repurchased by the Company under the authority granted to the directors of the Company pursuant to the said resolution under item 6.”
8. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, such number of fully paid ordinary shares in the capital of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 20 May 2013 (the “**Share Option Scheme**”) and any other share option scheme of the Company, representing 10% of the issued ordinary share capital of the Company as at the day on which this resolution is passed, the existing scheme mandate limit in respect of the granting of share options under the Share Option Scheme be refreshed provided that the total number of ordinary shares in the capital of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option scheme of the Company shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of passing of this resolution.”
9. “**THAT** the payment of a dividend out of the share premium account of the Company of HK\$0.012 per ordinary share of the Company in respect of the year ended 31 December 2016 (the “**Dividend**”) to holders of ordinary shares of the Company as recorded on the register of holders of ordinary shares of the Company on 2 June 2017 be and is hereby approved.”

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

13 April 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 proxy 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 ordinary shares of the Company will be closed from Monday, 15 May 2017 to Thursday, 18 May 2017, both days inclusive, during which period no transfer of ordinary 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 Friday, 12 May 2017.
- (6) The register of members of ordinary shares of the Company will also be closed from Wednesday, 31 May 2017 to Friday, 2 June 2017, both days inclusive, on which no transfer of ordinary shares will be registered. In order to qualify for the Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong 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 Monday, 29 May 2017.
- (7) With regard to the resolutions in item no. 2 in this notice, details of the retiring directors of the Company are set out in Appendix II to the circular to shareholders of the Company dated 13 April 2017.