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 Joins Hands with
Shenzhen Smart City Technology Development Co., Ltd.
to Build a "Xinchuang" (Domestic Developed Software)
Ecosystem and Facilitate a New Digital Shenzhen Infrastructure**

Chinasoft International Limited (hereinafter referred to as "Chinasoft" or the "Company") issued this announcement as a voluntary announcement to let the public know the latest information of the Company.

Chinasoft is pleased to announce that the Company has recently signed a strategic cooperation agreement with Shenzhen Smart City Technology Development Group Co., Ltd. (hereinafter referred to as "Shenzhen Smart City"). Based on the principle of mutually beneficial and win-win cooperation, both sides of the cooperation will leverage their respective advantageous resources and capabilities to carry out a comprehensive and in-depth cooperation in areas such as smart city construction, industrial cloud operation, software project lifecycle management, and digital talent training. Together, they will create a "Xinchuang" (domestic developed software) ecosystem and facilitate a new digital Shenzhen infrastructure.

The Company and Shenzhen Smart City, having consistent strategy and complementary advantages in the development of the latest information technology and urban industrial safety controllability, digitalization, networking, and intelligence, formed a close strategic partnership. The Company will carry out in-depth cooperation with Shenzhen Smart City Big Data Center, a wholly owned enterprise of Shenzhen Smart City, to serve the IT and digital construction of Shenzhen and SASAC enterprises. Leveraging the basic cloud service capabilities such as Huawei Cloud and the advantages of "Jointforce platform" in the IT field, the Company will cooperate with the members of the "Xinchuang" Alliance to build the "Xinchuang" Industrial Cloud and organize high-quality resources in the industry to provide digital transformation consulting, process management and control, and Kunpeng ecological partner management for state-owned enterprises in Shenzhen and other services. Furthermore, the Company will help enterprises to implement IT services and enhance the competitiveness of state-owned enterprises. Lastly, the Company will also focus on developing industry cloud solutions based on Kunpeng architecture to provide customers with end-to-end services such as consulting, cloud solution construction, and cloud platform operation management.

In the field of industrial cloud, the Company will work with Shenzhen Smart City to create the "Shenzhen State-owned Enterprise Domestic Developed Software Service Platform", relying on the Kunpeng architecture-based Xinchuang Software Service Platform, to provide program consulting for the city's state-owned enterprises and Shenzhen enterprises, software life cycle management and other platform services to build a new ecosystem of Shenzhen Domestic Developed Software. The two parties will also jointly build a software application innovation center and provide a digital tool set to empower enterprises throughout the city and across the country.

With the help of the Jointforce's "new third party" service capabilities, the two parties will build an information project full life cycle management platform, carry out software project full process management services, and facilitate the construction of a "digital government". As a leading big data service provider in China, the Company will also utilize its rich big data service capabilities to help the urban governance and industrial development of state-owned enterprises through the integration of effective data resources and overall planning.

In terms of organizational structure, the two parties will establish a joint venture company in due course to provide a service capability support platform for 28 Shenzhen state-owned assets supervision and administration commission's groups. In terms of talent cultivation, the two parties will jointly build the "Shenzhen Smart City Digital Economy Industry College", and take the lead in collaborative innovation of "politics, industry, and academia" to cultivate digital economy innovative talents.

The Company's strategic partnership with Shenzhen Smart City will help both sides integrate superior resources and capabilities, help Shenzhen enterprises optimize their IT top-level design capabilities, improve the level of enterprise digitization, and grasp Shenzhen's figures in the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the socialist leading demonstration area Infrastructure opportunities. The Company will build on the Kunpeng cloud base and rely on Jointforce's software industry Internet to create a benchmark and quickly replicate it to help more cities integrate with Kunpeng industry and build a safe, new and efficient digital industry ecosystem. Furthermore, this cooperation will help the company strengthen its "open source cloudization" and "trusted digitalization" capabilities, build a new digital service driven by consulting, continuously optimize its business model, and create greater value for shareholders.

ABOUT SHENZHEN SMART CITY TECHNOLOGY DEVELOPMENT CO.

Shenzhen Smart City is a wholly owned group company of the State-owned Assets Supervision and Administration Commission (SASAC) of the Shenzhen Municipal People's Government. At the same time, it has added the brand of Shenzhen SASAC Information Center and has nearly 2,000 employees. With the orientation of "serving the reform of state-owned enterprises, serving the people's livelihood, serving the construction of smart cities, and timely spillover development", Shenzhen Smart City has carried out the construction of smart state-owned enterprises and big data centers around the fields of cloud computing, big data, Internet of Things, urban brain, smart city scene applications, 5G network construction and industrial development and other related services.

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

14 July 2020, 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 Director, namely Dr. Zhang Yaqin, Mr. Gao Liangyu and Mrs. Gavriella Schuster, and three independent non-executive Directors, namely Mr. Zeng Zhijie, Dr. Lai Guanrong and Professor Mo Lai Lan.

* *For identification purposes only*