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*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00380)**

## **LAPSE OF THE MEMORANDUM OF UNDERSTANDING**

This announcement is made by Softpower International Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcement of the Company dated 15 December 2017 (the “**Announcement**”) in relation to the non-legally binding MOU entered between the Subscriber, Target Company and the Guarantor. Pursuant to the MOU, the Subscriber intends to inject capital into and subscribe the equity interests in the Target Company (the “**Proposed Transaction**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board would like to announce that since the parties to the MOU could not reach an agreement on the major terms and conditions in respect of the Proposed Transaction, the MOU has lapsed and ceased to have any effect upon expiry of the Valid Period. The Target Company shall refund the Earnest Deposit to the Subscriber in accordance with the terms of the MOU.

As the MOU is non-legally binding, the Board considers that the lapse of the MOU has no material adverse impact on the existing business operations and financial position of the Company and its subsidiaries.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Softpower International Limited**  
**Lai Fulin**  
*Chairman*

Hong Kong, 31 May 2018

*As at the date of this announcement, the Board consists of Mr. Lai Fulin and Mr. Yu Ben Ansheng as executive directors; and Mr. Wong Yee Shuen, Wilson, Mr. Chen Wei Wen and Mr. Guan Zhiqiang as independent non-executive directors.*