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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: 8216)

CONTINUING CONNECTED TRANSACTIONS

Certain subsidiaries of the Company entered into the Lease Agreements with CNSS on 30 January, 2008 for the leasing of office premises from CNSS. CNSS is a substantial shareholder and a connected person of the Company. The Lease Agreements thus constitute continuing connected transactions of the Company. The Lease Agreements are a continuation of the arrangement for leasing of office premises from CNSS as set out in the 2007 Announcement.

The applicable percentage ratios for the transactions under the Lease Agreements and other subsisting lease agreements entered into with CNSS in aggregate for the year ending 31 December, 2008 exceed 0.1% but do not exceed 2.5%. The transactions under the Lease Agreements and other lease agreements with CNSS are subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules but are exempt from the independent Shareholders' approval requirements under Rule 20.48 of the GEM Listing Rules.

The Board announces that Cyber Resources, Chinasoft Resources Beijing and Chinasoft Training Centre, being subsidiaries of the Company, entered into the Lease Agreements for the leasing of office premises from CNSS as further described below. CNSS is a substantial shareholder of the Company and a connected person of the Company. The Lease Agreements, which are a continuation of the arrangement for leasing of office premises from CNSS as set out in the 2007 Announcement, constitute continuing connected transactions of the Company.

THE LEASE AGREEMENTS

The Lease Agreements comprise the following:-

1. Lease of Rooms 206-211 on 2nd Floor, Rooms 306-311, 314 and 315 on 3rd Floor in Tower A2 at 18 Changsheng Road, Changping District, Beijing, PRC (entered into by Chinasoft Training Centre)

Date : 30 January, 2008

Floor area of : 2,900.54 square meters in aggregate
leased premises

Term : 1 January, 2008 to 31 December, 2008

Monthly rental : RMB191,435.64 (equivalent to about HK\$207,046.98)

User : as office premises

2. Lease of 3rd Floor of Block C and 3rd Floor of Block B of 55 Xue Yuan Nan Road, Haidian District, Beijing, PRC (entered into by Cyber Resources)

Date : 30 January, 2008

Floor area of : 1,114.47 square meters in aggregate
leased premises

Term : 1 January, 2008 to 31 December, 2008

Monthly rental : RMB81,913.55 (equivalent to about HK\$88,593.50)

User : as office premises

3. Lease of 8th, 9th and 10th Floors of Block A and 7th Floor of Block C of 55 Xue Yuan Nan Road, Haidian District, Beijing, PRC (entered into by Chinasoft Resources Beijing)

Date : 30 January, 2008

Floor area of : 2,650.4092 square meters in aggregate
leased premises

Term : 1 January, 2008 to 31 December, 2008

Monthly rental : RMB194,805.08 (equivalent to about HK\$210,691.20)

User : as office premises

4. Lease of 5th Floor of Block B of 55 Xue Yuan Nan Road, Haidian District, Beijing, PRC (entered into by Chinasoft Training Centre)

Date : 30 January, 2008

Floor area of : 1026 square meters in aggregate
leased premises

Term : 1 January, 2008 to 31 December, 2008

Monthly rental : RMB75,411 (equivalent to about HK\$81,560.67)

User : as office premises

The total amount of rent payable by subsidiaries of the Group to CNSS for the lease of office premises under the Lease Agreements plus that under other subsisting lease agreement as disclosed in the 2007 Announcement will amount to RMB7,362,765.84 (equivalent to approximately HK\$7,963,190.40) for the year ending 31 December, 2008.

The levels of rent for the office premises under the Lease Agreements were determined by way of negotiations by Cyber Resources, Chinasoft Resources Beijing and Chinasoft Training Centre respectively with and CNSS, and the Directors consider such rental more favourable to the Group than it would otherwise have been offered by Independent Third Parties, after making reference to the prevailing market rent of similar properties in the same building.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

Cyber Resources, Chinasoft Resources Beijing and Chinasoft Training Centre rented the office premises under the Lease Agreements from CNSS respectively in view of the satisfactory location of such premises, and the favourable rental to Cyber Resources, Chinasoft Resources Beijing and Chinasoft Training Centre than each of them would otherwise have been offered had it rented office premises from Independent Third Parties.

The Directors (including the independent Non-Executive Directors) consider that the Lease Agreements were entered into upon normal commercial terms or terms no less favourable than those available to Independent Third Parties, and believe that the terms of the Lease Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES REQUIREMENTS

CNSS is a substantial shareholder of the Company and is regarded as a connected person of the Company. The Lease Agreements thus constituted continuing connected transactions of the Company.

The Company disclosed in the 2007 Announcement arrangements for leasing of office premises by subsidiaries of the Group from CNSS which constituted continuing connected transactions of the Company. The Lease Agreements disclosed in this announcement are a continuation of the leasing arrangements disclosed in the 2007 Announcement.

The applicable percentage ratios for the annual rental payments under the Lease Agreements and other subsisting lease agreements entered with CNSS as disclosed in the 2007 Announcement in aggregate for the year ending 31 December 2008 exceed 0.1% but do not exceed 2.5%. The transactions under the Lease Agreements are subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules but are exempt from the independent Shareholders' approval requirements under Rule 20.48 of the GEM Listing Rules.

GENERAL

The Group is principally engaged in the provision of e-government solutions and customized software products, IT consulting and training services, IT outsourcing services and standalone software products for government authorities and IT service providers.

CNSS, the A shares of which are listed on the Shanghai Stock Exchange, is principally engaged in software and IT product development and systems integration in the sectors of railway, communication, aviation, taxation and military.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2007 Announcement”	the announcement by the Company on continuing connected transactions of leases of office premises from CNSS dated 17 December, 2007
“Board”	the board of Directors
“Chinasoft Resources Beijing”	北京中軟資源信息科技服務有限公司 (Chinasoft Resources Information Technology Services Limited), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company
“Chinasoft Training Centre”	中軟總公司計算機培訓中心 (CS&S Computer Tech. Training Centre), a PRC institution established in the PRC and an indirectly wholly-owned subsidiary of the Company
“CNSS”	中國軟件與技術服務股份有限公司 Chinasoft National Software and Service Company Limited (formally known as China National Computer Software & Technology Service Corporation), the A-shares of which are listed on the Shanghai Stock Exchange and the parent company of the Company
“Company”	Chinasoft International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Cyber Resources”	中軟賽博資源軟件技術(天津)有限公司 (CS&S Cyber Resources Software Technology (Tianjin) Co. Ltd.), a sino-foreign equity joint venture enterprise established in the PRC and an indirect subsidiary of the Company as to 76% of its shareholding
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties independent of and not connected with the Group and any of its directors, chief executive, substantial shareholder or management shareholder or any of their respective associates
“Lease Agreements”	the leases of the Premises by CNSS to Cyber Resources, Chinasoft Resources Beijing and Chinasoft Training Centre respectively as further described in the section headed “THE LEASE AGREEMENTS” in this announcement
“PRC”	the People’s Republic of China
“Premises”	certain units of the buildings at 55 Xue Yuan Nan Road, Haidian District and at 18 Changsheng Road, Changping District, Beijing, PRC leased under the Lease Agreements
“Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

Unless otherwise specified, the Renminbi amounts shown in this announcement have been translated into Hong Kong dollars at an exchange rate of HK\$1.00=RMB0.9246. Such translation should not be construed as a representation that the RMB amounts have been, could have been or could be converted into HK\$, as the case may be, at this or any other rates or at all.

By order of the Board
Chinasoft International Limited
Dr. Chen Yuhong
Managing Director

Hong Kong, 30 January, 2008

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Dr. CHEN Yuhong (*Managing Director*)

Dr. TANG Zhenming

Mr. WANG Hui

Non-executive Directors:

Mr. SU Zhenming (*Chairman*)

Dr. CUI Hui

Mr. Duncan CHIU

Mr. CHEN Yung Cheng Timothy

Mr. LIU Zheng

Independent Non-executive Directors:

Mr. HE Ning

Mr. ZENG Zhijie

Dr. LEUNG Wing Yin

This announcement, for which the Directors collectively and individually accept full responsibility includes particulars given in compliance with the GEM 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:-(1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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** For identification purposes only*